

## Message Text

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INFO OCT-01 ISO-00 /001 R

DRAFTED BY NEA/RA:DTMORRISON/HFMMATTHEWS

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S/S -LCJO;ONSTONE

NEA/EGY - H. F. MATTHEWS

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FM SECSTATE WASHDC

TO USDEL SECRETARY IMMEDIATE

C O N F I D E N T I A L STATE 180502 TOSEC 080202

NODIS

STADIS

E.O. 11652: GDS

TAGS: MASS, IS

SUBJECT: FY 1976 AID FOR ARABS AND ISRAEL

REF: ACTION MEMORANDUM NO. 7515215

FOR SAUNDERS FROM ATHERTON

S/S NOTE MODIFICATIONS TO REF ACTION MEMO

1. SUBJECT MEMO ON FY1976 AID FOR ARABS AND ISRAEL DID NOT REACH UNDER SECRETARY SISCO FOR CLEARANCE BEFORE HIS DEPARTURE. FOLLOWING CHANGES HAVE BEEN MADE IN PAPER BASED ON COMPLICATING DEVELOPMENT IN HOUSE INTERNATIONAL AFFAIRS COMMITTEE HANDLING OF FOREIGN ASSISTANCE ACT ON JULY 28.

2. REQUEST YOU REPLACE PARA 2 (FIRST FULL PARA) ON PAGE 3 WITH TWO PARAS ALONG FOLLOWING LINES:

BEGIN TEXT: WE COULD JUST GO AHEAD WITH THIS ON THE GROUND THAT IT IS OF BENEFIT TO INTERNATIONAL SHIPPING AS MUCH AS  
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IT IS OF BENEFIT TO EGYPT AND HAS NOTHING TO DO WITH THE

POLICY REASSESSMENT -- AND JUST NOT WORRY ABOUT THE FACT THAT WE HAVE NOTHING TO BALANCE ON THE ISRAELI SIDE. OR WE COULD SEEK TO RELEASE SOMETHING FOR ISRAEL. ONE POSSIBILITY IS A PENDING HOUSING INVESTMENT GUARANTEE OF 25 MILLION DOLS, THE STATUS OF WHICH THE ISRAELI EMBASSY INQUIRED ABOUT ON JULY 24. A JULY 28 AMENDMENT TO THE FOREIGN ASSISTANCE ACT BY CONGRESSMAN FASCELL WHICH HAS BEEN REPORTED OUT FAVORABLY BY THE HOUSE INTERNATIONAL RELATIONS COMMITTEE WOULD LIMIT AID HOUSING GUARANTEE AUTHORIZATIONS TO A MAXIMUM OF 5 MILLION DOLS PER COUNTRY PER YEAR. THE AMENDMENT, WHICH IS EXPECTED TO GAIN HOUSE APPROVAL BUT WILL LIKELY BE WATERED DOWN OR DROPPED IN THE SENATE AND FINAL VERSIONS OF THE FOREIGN ASSISTANCE ACT, WOULD ALSO EXCLUDE COUNTRIES (E.G., ISRAEL) WHICH HAVE NOT RECEIVED DEVELOPMENT ASSISTANCE DURING THE PAST TWO YEARS. CONGRESSMAN SOLARZ' AMENDMENT FOR INCLUSION OF ISRAEL WAS REJECTED BY THE HIRC. AID HAS THE AUTHORITY UNDER THE CONTINUING RESOLUTION TO PROCEED WITH THE 25 MILLION DOLS HOUSING GUARANTEE FOR ISRAEL, BUT BELIEVES THAT TO PROCEED IN THE FACE OF THE HIRC ADOPTION OF THE FASCELL AMENDMENT AND REJECTION OF THE SOLARZ AMENDMENT WOULD AGGRAVATE OUR RELATIONS WITH WHAT IS GENERALLY A FRIENDLY AND SUPPORTIVE COMMITTEE.

-- ON BALANCE, I WOULD BE INCLINED TO GO AHEAD ON THE MINE-CLEARING OPERATION FOR EGYPT WHILE AT THE SAME TIME WE SEEK TO WORK OUT THE PROBLEMS RAISED BY THE FASCELL AMENDMENT AND INFORM THE ISRAELIS OF OUR EFFORTS TO OBTAIN CONGRESSIONAL CONCURRENCE ON RELEASE AS SOON AS POSSIBLE OF THE 25 MILLION DOLS HOUSING GUARANTEE AUTHORIZATION. THE LARGER PL 480 PROGRAM IN THE ARAB COUNTRIES, AS COMPARED WITH ISRAEL, AND THE MINE-CLEARING PROJECT FOR EGYPT COULD GIVE AN IMPRESSION OF IMBALANCE IN FAVOR OF EGYPT WHICH, HOWEVER, COULD BE PARTLY OFFSET BY OUR OPEN EFFORTS TO WORK OUT THE 25 MILLION DOLS HOUSING GUARANTEE PROGRAM FOR ISRAEL. END TEXT.

3. ALSO, RECOMMENDATION 4 ON PAGE 5 OF ACTION MEMO SHOULD BE CHANGED TO READ:

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BEGIN TEXT: THAT WE PROCEED WITH EFFORTS TO WORK OUT A SATISFACTORY SOLUTION TO THE PROBLEMS POSED BY THE FASCELL AMENDMENT FOR RELEASE OF THE 25 MILLION AID HOUSING GUARANTEE PROGRAM FOR ISRAEL AND THAT WE INFORM THE ISRAELIS OF OUR EFFORTS TO GAIN CONGRESSIONAL CONCURRENCE FOR EARLY RELEASE. END TEXT.

4. THE LANGUAGE ABOVE HAS BOB NOOTER'S CLEARANCE.

5. WITH REGARD TO MINE-SWEEPING, WE HAVE JUST RECEIVED FORMAL MEMORANDUM FROM SECDEF TO SEC STATE RECOMMENDING FAVORABLE RESPONSE TO EGYPTIAN REQUEST; OUTLINING COURSE OF ACTION TO PROVIDE U. S. ASSISTANCE USING USS INCHON; STATING THAT COST WILL BE AN ESTIMATED 2.504 MILLION DOLLARS AND THAT ABOUT 40 U.S. PERSONNEL WOULD BE IN EGYPT IN DIRECT SUPPORT OF MINE CLEARING OPERATION; AND REQUESTING POLICY DECISION AS A MATTER OF PRIORITY, INCLUDING SOURCE OF FUNDING. WE ARE PREPARING FORMAL RESPONSE ASKING DEFENSE TO PROCEED WITH MINE CLEARANCE AND STATING OUR INTENTION TO FUND THIS OPERATION OUT OF FY-76 SUPPORTING ASSISTANCE FUNDS FOR EGYPT, WHICH CAN BE PROVIDED UNDER THE CONTINUING RESOLUTION AUTHORITY. HOWEVER, WE BELIEVE THAT WE SHOULD GIVE FORMAL NOTIFICATION TO CONGRESS OF OUR INTENTIONS AT THE SAME TIME THAT WE TRANSMIT OUR FORMAL RESPONSE TO SECDEF. THIS IS TO GIVE YOU SOME IDEA OF HOW WE SEE EVENTS PROCEEDING IF SECRETARY APPROVES RECOMMENDATION 3.

6. MEMO AS AMENDED CAN GO FORWARD TO THE SECRETARY. INGERSOLL

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Draft Date:** 31 JUL 1975  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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